

PRESIDENT: The question then is the change of the Speaker's order to take up this bill now. Record your vote. Have you all voted? Have you all voted? Record.

CLERK: 25 ayes, 7 nays on the adoption of the DeCamp motion, Mr. President.

PRESIDENT: The bill shall be taken up at this time.

CLERK: Read title to LB 665. The bill was first read on January 5, 1978. It was referred to the Banking, Commerce and Insurance Committee. The bill was advanced to General File, Mr. President. There are pending committee amendments offered by Senator DeCamp's Banking, Commerce and Insurance Committee.

PRESIDENT: Senator DeCamp.

SENATOR DECAMP: Mr. President, members of the Legislature, I will try to discuss the overall issue of products liability and then direct myself to the committee amendments. I would urge you to adopt the committee amendments, treat any other amendments that may be offered from the floor, but I think they can only be treated in the overall context of what the issue of products liability is. Manufacturers of all products have, according to the information the committee has been able to get, received in the last couple of years information that they are literally being priced out of the ability to carry products liability insurance and, therefore, priced out of the ability to stay in business. Obviously, if occurring, if indeed true, would support the idea that we have to do something to stop this from happening because with the loss of a manufacturer comes the loss of jobs, comes the loss of sales and income tax paid into the economy and comes, of course, unemployment and the drains that are natural there. As we all know, all insurance, all insurance has gone up, skyrocketed, in recent years and products liability is indeed one of the areas where it has. We have dealt with this in other areas such as medical malpractice but I would point out that this piece of legislation unlike medical malpractice does not probably go as far in some of the restraints and constraints. What it is an attempt to do is establish predictability so that insurance companies will know what amount of reserves they have to have so that they can set rates that are not exorbitant hopefully or that more accurately reflect what they have actually got to have to pay claims in the future. Let me just discuss the overall concept of insurance a bit. Insurance started when, I think the original insurance was life insurance. A group of a dozen or ten individuals sitting around were discussing, young men, were discussing what they would do, this was a hundred or more years ago, what they would do if, for example, one of them died, who would support their family, who would take care of their children, how would their families survive. And among the group of them they said, well, look, why don't we among ourselves each put a certain amount of our money, our income, into a pot and then each month or each year this will continue to build and the first one of us that dies is allowed to have a certain portion of this. In other words, what they set up then was a scheme to protect their families against a catastrophic loss. Well as insurance expanded, of course, and as technology developed, we developed insurance in all areas, rather than having one person who is driving an automobile suffer catastrophic loss by a lawsuit